

EXCERPTS FROM CURRENT INTELLIGENCE DIGEST

LATIN AMERICA.

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Guatemalan ermy reaction to Orbit arms shipment reported:
The American embassy in Guatemala reports that Guatemalan army morale has generally improved as a result of the recent arrival of Orbit arms, but that this does not necessarily strengthen the Arbenz regime. The embassy notes that many officers now believe the army is capable of acting independently and have spoken of a possible move to overthrow the regime. This does not mean, however, that such action is "imminent."

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Army reaction against any open move by the government to arm civilians "might have serious repercussions," according to the embassy. The chief of the armed forces, Colonel Carlos Enrique Diaz, has allegedly assured a group of officers that the Orbit arms were procured exclusively for the army and that he will not permit any of them to fall into Communist hands. One officer has suggested that Diaz could prevent this from happening in the capital area, but possibly not in the outlying departments. (S Guatemala City 854, 1 June 54)

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